

RULES AND REGULATIONS OF THE
SECTION 8 HOUSING ASSISTANCE PROGRAMS
CITY AND COUNTY OF HONOLULU

Chapter 4

RULES OF PRACTICE AND PROCEDURES OF THE SECTION 8
PROJECT-BASED RENTAL ASSISTANCE PROGRAM

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Chapter 4

RULES OF PRACTICE AND PROCEDURES OF THE SECTION 8 PROJECT-BASED RENTAL ASSISTANCE PROGRAM

§4-1 GENERAL APPLICABILITY. These rules and regulations are adopted under the Hawaii Administrative Procedures Act, Chapter 91, Hawaii Revised Statutes, pursuant to Ordinance of the City and County of Honolulu, and are intended to set forth the essential elements to implement the City and County of Honolulu, Section 8 Project-Based Voucher Program, as established in Title 24 of the Code of Federal Regulations, specifically Part 983 and the guidance notice, "Revision to PHA Project-Based Assistance program; Initial Guidance", issued by the U.S. Department of Housing and Urban Development in the Federal Register, Vol. 66, No. 10, on January 16, 2001, and any revisions or amendments, thereto. Except as otherwise expressly modified or excluded by 24 CFR Part 983, provisions of 24 CFR Part 982 shall apply to the Project-Based Voucher Program. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-2 PURPOSE AND OBJECTIVE. The purpose of Project-Based Assistance is to encourage property owners to construct, rehabilitate, and make available standard rental housing stock to lower income families at rents within the Section 8 Program's established limits; maximize housing choice, especially for low-income families who have traditionally been limited in the location of housing that they could afford; discourage the concentration of low-income households in any one area; and encourage the creation of additional housing resources for low-income households integrated throughout the community. Whenever feasible, the projects selected for the Project-Based Voucher Program will be in areas with lower concentrations of poverty. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-3 GENERAL PROJECT-BASED VOUCHER PROGRAM.

(a) The Agency may, at its sole option, choose to provide Section 8 Project-Based Assistance with funds provided to the Agency for its Section 8 Housing Choice Voucher Program.

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(b) The Project-Based Voucher Program provides assistance that is attached to units as "project-based" assistance to distinguish this assistance from the "tenant-based" assistance provided by the Housing Choice Voucher Program in Chapter 1.

(c) With Project-Based Assistance, the Agency enters into an assistance contract with the owner to make Housing Assistance Payments for a specific unit(s) for a specified term provided the unit is occupied by an eligible family. To fill vacant project-based units, the owner shall lease the unit to eligible Families from the HUD approved waiting list. Although the assistance is tied to the unit, a Family that moves from the unit may be eligible for continued assistance under the tenant-based Housing Choice Voucher Program.

(d) HUD does not provide any separate funding for the Project-Based Voucher Program. Funding for the Program is part of the Annual Contribution Contract (ACC) funding authority for the Agency's entire Section 8 Housing Choice Voucher Program.

(e) The number of project based units that will be made available for the Project-Based Voucher Program will be no more than twenty percent (20%) of the total funding available to the Agency under the consolidated ACC for tenant-based assistance and consequently no more than twenty percent (20%) of the baseline number of units in the Agency's Housing Choice Voucher Program, excluding funding designated by HUD for other special purpose.

(f) No more than twenty percent (20%) of any new funding increments may also be designated for the Project-Based Voucher Program provided that the funding is not designated for any other special purpose under the Housing Choice Voucher Program. [Eff _____]

(Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-4 DEFINITIONS.

(a) The following definitions are found in Chapter 1 of the Agency's Section 8 Housing Assistance Programs Rules and Regulations: Annual Contributions Contract (ACC), Agency, CFR-Code of Federal Regulations, Disabled Family, Elderly Family, Fair Market Rent (FMR), Family, Family Rent to Owner, Family Share, Gross Rent, Housing Assistance Payments (HAP), Housing Quality Standard (HQS), HUD, Lease, Payment Standard, Public Housing Agency (PHA), Reasonable Rent, Rent to Owner, Total Tenant Payment, Utility Allowance, and Very Low Income Family.

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(b) In addition to the terms listed in subsection (a) of this section, the following definitions apply:

- (1) Agency-owned Unit: A unit (other than public housing) that is owned by the Agency that administers the assistance under the Section 8 Project-Based Voucher Program pursuant to the ACC between HUD and the Agency, (including a unit owned by an entity substantially controlled by the Agency).
- (2) Agreement to Enter into Housing Assistance Payments Contract (Agreement or AHAP): HUD Form 52531-A/B. A written agreement between the owner and the Agency that, upon satisfactory completion of the New Construction or the Rehabilitation and occupancy by an eligible Family in accordance with requirements specified in the Agreement, the Agency will enter into a HAP Contract. The Agreement includes, among other provisions, work items to be completed in accordance with Agency approved specifications, drawings and write-ups, dates for the beginning and completion of the work, description of work to be performed, the Housing Assistance Payments Contract and the number of units by size and applicable Initial Contract Rents
- (3) Applicant: An individual or Family that has submitted an application but is not yet a participant in the Section 8 Project-Based Voucher Program.
- (4) Existing Housing: A housing unit or project that, at the time of the Agency's written notice of its selection for Project-Based Assistance, requires a maximum expenditure of less than one thousand dollars (\$1,000) per assisted unit (including the unit's prorated share of any work to be accomplished on common areas or systems) to comply with HQS.
- (5) Funding Source: The ACC (defined in Chapter 1 of the Agency's Section 8 Housing Assistance Programs Rules and Regulations) funding authority from which the HAP Contract is to be funded. Each funding increment identified in the ACC is a separate, potential funding source.
- (6) Housing Assistance Payments Contract (HAP Contract): A written agreement between the Agency and an owner for the purpose of providing

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Housing Assistance Payments under the Section 8 Housing Choice Voucher Program to the owner on behalf of an eligible Family.

- (7) Initial Rent: The Gross Rent, including utilities, of the Project-Based Assisted unit as specified in the HAP Contract
- (8) New Construction: Projects or units that are proposed for construction and have not occurred before the Agreement has been executed.
- (9) Percent Limit: The maximum number of budgeted units for a PHA's Housing Choice Voucher Program that may be project-based, which is twenty percent (20%) of the total funding available to the Agency under its ACC, equivalent to 20% of baseline units in the Agency's Housing Choice Voucher Program as established by HUD, excluding funding that is designated by HUD for other special purpose.
- (10) Project-Based Voucher (PBV) Program or Program: A Section 8 Housing Choice Voucher Program administered by the Agency pursuant to 24 CFR Part 983 that is attached to specific units for a specified period of time.
- (11) Project-Based Assistance (PBA): A type of rental assistance under the Housing Choice Voucher Program.
- (12) Rehabilitation or Rehabilitation Units: Projects or units that require \$1,000 or more in improvements per assisted units, including the unit's prorated share of work to be accomplished on common areas or systems, to comply with HQS and for which rehabilitation is started only after the Agreement is signed.
- (13) Repair or Replacement of a Major Building System or Component: The complete electrical rewiring of a unit; the installation of new plumbing supply or waste pipes in a unit; the installation of a new roof; or the replacement or major repair of exterior structural elements which are essential to achieve a stable general condition with no threat of further deterioration.
- (14) State Certified Appraiser: Any individual who satisfies the requirements for certification as a certified general appraiser in the State of Hawaii and meets or exceeds the minimum

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certification criteria issued by the Appraiser Qualifications Board of the Appraisal Foundation.

- (15) Section 8 Housing Choice Voucher Program (HCVP):
A Section 8 Rental Assistance Program, also known as Voucher Program.

§4-5 ELIGIBLE, INELIGIBLE AND AGENCY-OWNED UNITS:

(a) The Agency may make available PBA for New Construction, Rehabilitation, and Existing Housing projects or units that meet HUD and Agency requirements.

Requirements include:

- (1) Physical condition standards and physical inspection requirements as set forth in 24 CFR 983.5;
 - (2) Site and neighborhood standards as described in 24 CFR 983.6 for New Construction and Rehabilitation Units;
 - (3) Minimum expenditure requirement as described in 24 CFR 983.8 for Rehabilitation Units; and
 - (4) Other Federal requirements as described in 24 CFR 983.11.
- (b) Ineligible properties include the following:
- (1) Shared housing, nursing homes, and facilities providing continual psychiatric, medical, nursing services, board and care, or intermediate care;
 - (2) Units within the grounds of penal, reformatory, medical, mental and similar public or private institutions;
 - (3) Properties located in the Coastal Barrier Resources System designated under the Coastal Barrier Resources Act;
 - (4) Properties located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless, it is located in an area participating in the national Flood Insurance Program, in which case the Agency shall ensure that flood insurance on the structure is obtained in compliance with Section 102(a) of the Flood Disaster Protection Act of 1973;
 - (5) College or other school dormitories; or
 - (6) A manufactured home.
- (c) The Agency may not attach or pay PBA to units in any of the following types of subsidized housing:

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- (1) Public Housing;
- (2) A unit subsidized by any other form of Section 8 assistance (tenant-based or project-based);
- (3) A unit subsidized with any local or State rent subsidy;
- (4) A Section 236 project (insured or noninsured); or a unit subsidized with Section 236 rental assistance payments;
- (5) A Rural Development Administration Section 515 project;
- (6) A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949 (a Rural Development Administration Program);
- (7) Housing assisted under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974;
- (8) A Section 221(d)(3) project;
- (9) A project with a Section 202 loan;
- (10) A Section 202 project for non-elderly persons with disabilities (Section 162 assistance);
- (11) Section 202 supportive housing for the elderly;
- (12) Section 811 supportive housing for persons with disabilities;
- (13) A Section 101 rent supplement project;
- (14) A unit subsidized with tenant-based assistance under the HOME program; or
- (15) Any unit with any other duplicative Federal, State, or local housing subsidy, as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

(d) The Agency may attach PBA to a high-rise elevator project for families with children only if HUD determines there is no practical alternative. HUD may make this determination in whole or in part, and need not review each project on a case-by-case basis.

(e) Assistance may not be attached to a unit that is occupied by an owner; however, cooperatives are considered to be rental housing for purposes of the PBV Program.

(f) A group home may include one or more group home units. There must be a single PBA Housing Assistance Payments Contract for units in the group home. A separate

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lease is executed for each Elderly Family or Disabled Family who resides in a group home.

(g) Agency-owned Units:

- (1) Agency-owned Units may only be assisted under the PBV Program if:
 - (A) The Agency-owned unit is not ineligible housing under this section;
 - (B) The HUD field office selects the Agency-owned unit pursuant to the competitive ranking and rating process specified in the Agency's HUD-approved unit selection policy (see 24 CFR 983.51);
 - (C) The HUD field office establishes the Initial Contract Rents, and;
 - (D) The HUD field office has conducted all the Agency's reviews required under the PBV Program under 24 CFR Part 983 before execution of the Agreement.
- (2) The HUD field office must approve in advance any adjustment of the contract rent for an Agency-owned Unit.
- (3) As owner of an Agency-owned unit, the Agency is subject to all of the same program requirements that apply to other owners in the PBV Program.
- (4) HUD headquarters establishes the amount of the administrative fee for an Agency-owned unit. The Agency will earn a lower ongoing administrative fee for an Agency-owned unit than for a unit not owned by the Agency, and no fee for the cost to help a family experiencing difficulty in renting appropriate housing.
- (5) Agency-owned units are subject to the same requirements as units that are not Agency-owned, including the ineligibility of units that are currently public or Indian housing and units constructed or rehabilitated with other assistance under the U.S. Housing Act of 1937.

(h) Other federal requirements to determine eligibility of units include minimizing displacement, providing for relocation assistance, and complying with real property acquisition requirements as defined in 24 CFR 983.10 and Uniform Federal Accessibility Standards (UFAS) as defined in 24 CFR 8.23. [Eff _____]
(Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-6 PARTIALLY ASSISTED BUILDING REQUIREMENT.

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(a) Not more than 25% of the total number of dwelling units in any one building may receive PBA.

(b) The following types of housing are exempt from this cap:

- (1) Single family dwellings, defined as a building having one up to four (4) units;
- (2) Dwelling units specifically for Elderly Families or Disabled Families; and
- (3) Dwelling units specifically for families receiving supportive services.

§4-7 PUBLIC NOTICE AND INVITATION TO OWNERS.

(a) If Vouchers are available for PBA units, the Agency shall publish a notice and accept applications for the PBV Program at least annually.

(b) The notice will be published in a newspaper of general circulation once a week for three consecutive weeks and will include the following:

- (1) The application deadline (at least 30 days after the date of the last publication);
- (2) The estimated number of units to be selected for assistance;
- (3) A statement that only applications submitted in response to the notice will be considered; and
- (4) The selection criteria to be used in awarding PBA. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-8 OWNER APPLICATION REQUIREMENTS:

(a) Property owners responding to the notification of PBA funding must submit an application in the form prescribed by the Agency and by the application deadline date specified in the notice.

(b) For New Construction and/or Rehabilitation Units, the owner's application must include items as described in 24 CFR 983.51(d). [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-9 EVALUATION, RANKING AND SELECTION CRITERIA:

(a) For an application to be considered for selection to the PBV Program, the Agency shall determine that each application is responsive to and in compliance with the Agency's selection criteria and procedures, and is otherwise in conformity with Agency and HUD Program rules and requirements, including, but not limited to the following:

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- (1) Property is an eligible unit as defined in §4-5
- (2) Proposed initial gross rents do not exceed 110% of the Fair Market Rent or any approved exception Payment Standard and must be reasonable in relation to rents charged in the private market for unassisted comparable units;
- (3) For a unit that has been allocated a low income housing tax credit under Internal Revenue Code of 1986 at 26U.S.C. 42, but is not located in a "qualified census tract", as defined under the law, the Rent to Owner may be set at any level that is comparable with unassisted market rate units in the same building.

(b) Proposals that meet the above requirements will be evaluated and rated according to the following evaluation criteria. For each proposal, points will be established according to the Agency's Section 8 Program priorities and needs.

<u>Evaluation Factors:</u>	<u>Points</u>
The proposed housing serves a target population as determined by the Agency.	20
Rental subsidy is necessary for the viability of the project, management of the project is consistent with Section 8 requirements and the degree to which supportive services will be provided to the project.	20
The proposal develops new affordable housing through new construction or the property preserves and substantially rehabilitates existing properties.	10
The proposal submitted demonstrates a thorough, in-depth, well-planned project meeting all federal requirements and other eligibility criteria, including site and design factors, and is in accordance with the Agency's priority for the Section 8 Program.	20
The owner applicant team's qualifications are appropriate for the project under consideration, including development, marketing, and management experience.	15

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The owner applicant's track record and the project's feasibility as a whole, including the likelihood of financing and marketability. 15

TOTAL 100

(c) A ranking list will be established according to the points awarded to each proposal and the highest ranked projects will undergo further review by the Agency. The Agency shall, at its discretion, select one or more or none of the proposals submitted. [Eff

_____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-10 REHABILITATION WORK AND NEW CONSTRUCTION REQUIREMENTS.

(a) The owner shall prepare work write-ups, construction specifications and plans upon request as determined appropriate by the Agency for Rehabilitation and New Construction projects. In addition, New Construction projects require certification by a design architect that the proposed New Construction reflected in the working drawings and specifications complies with housing quality standards, local codes and ordinances and zoning requirements.

(b) In the case of projects consisting of four (New Construction) or five (Rehabilitation) or more units, the Agency shall determine any work items necessary to meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and, for New Construction only, the accessibility requirement of the Fair Housing Amendments Act of 1988.

(c) The owner is responsible for selecting a responsible contractor and said contractor shall provide the Agency with a certification of non-debarment.

(d) State Certified Appraiser. Before executing an Agreement, the Agency shall use a State Certified Appraiser and establish the rents in accordance with §983.256(c) or seek approval of proposed rents from HUD for any Agency owned units or HUD insured or coinsured multifamily mortgage and obtain environmental clearance in accordance

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with 24 CFR 983.11, and other requirements as described in 24 CFR 983.52(c) and 24 CFR 983.55(b).

(e) Agreement to Enter into Housing Assistance Payments Contract. Upon satisfactory compliance with all required elements of the PBV Program, the Agreement to Enter into Housing Assistance Payments Contract, a HUD form, will be completed with the selected owner.

(f) Timely Performance of Work. Upon execution of the Agreement, the construction period shall promptly commence. The construction period shall be determined in accordance with the approved application and entered into the Agreement. In the event the work is not so commenced, diligently continued, or completed, the Agency may approve reasonable extensions of time, terminate the Agreement or take other appropriate action.

(g) Inspection and Changes. The Agency shall perform regular inspections during the construction period. Any changes from the work specified in the Agreement that would alter the design or the quality of the New Construction or Rehabilitation must be approved by the Agency prior to making the changes.

(h) Notification of Vacancies. At least sixty (60) days before the scheduled completion of the project, the owner shall notify the Agency of any units expected to be vacant on the anticipated effective date of the HAP Contract.

(i) Completion of Construction. The owner shall notify the Agency when the work is completed and provide the Agency with evidence of completion, including, but not limited to, a certificate of occupancy and other certifications as prescribed in 24 CFR 983.104 (b). The Agency shall perform a final inspection prior to acceptance of the units and notify the owner of any deficiencies or defects that may exist. The Agency may accept the units pending completion of minor items as provided in 24 CFR 983.104(d)(2). The owner may be allotted a time extension if warranted which may affect contract rents, or the Agency may reject any units that do not meet program requirements and the owner notified with a statement of the reasons for nonacceptance. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-11 HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP Contract).

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(a) Unit Selection. The Agency shall not select a unit for PBA, if the unit is occupied by persons who are not eligible for participation in the PBV Program.

(b) Review and Inspections. The Agency shall review and inspect all units to be assisted with PBA to determine that the units are in compliance with the HQS and other standards required by HUD or the Agency.

(c) HAP Contract. Upon acceptance of the Rehabilitation, New Construction or Existing Housing units, the Agency shall execute a Housing Assistance Payments Contract for PBA under the Housing Choice Voucher Program with the owner in the format prescribed by HUD. The owner shall inform the Agency of any units that are vacant and shall lease all assisted vacant units to eligible Families of the appropriate size from the HUD approved waitlist.

(d) Term of HAP Contract. The initial term of PBA HAP Contracts shall be for a period of not less than one (1) year nor more than ten (10) years, or any other HUD approved term, subject to future funding availability under the ACC with HUD.

(e) Extension of HAP Contract. Upon expiration of the initial term of the HAP Contract, the Agency may extend the HAP Contract for such period as the Agency determines is necessary to expand housing opportunities and to achieve long-term affordability of the housing, subject to the future availability of appropriated funds from HUD.

(f) Initial Rent. Initial gross rents may not exceed the rent limits on the date the Agreement is executed, if applicable, or as described in §4-9(a)(2), herein. Either prior to executing the Agreement (for New Construction or Rehabilitation Units) or prior to executing the HAP Contract (for Existing Housing), the Agency shall use a State Certified Appraiser as set forth in 24 CFR 983.256 (c)(1) to determine reasonableness of the Initial Contract Rent. The Agency may reduce the Initial Rent to Owner because of other governmental subsidies as provided in 24 CFR §983.257.

(g) Rent Adjustments. If required by HUD, at least annually, the Agency shall redetermine that the current Rent to Owner does not exceed the Reasonable Rent. The HAP Contract shall provide for rent adjustments and that the adjusted rent for any assisted unit shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market as described in 24 CFR 983.256 (b), and (c)(2), as amended, and shall not

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exceed the maximum rent limits as described in §4-9(a)(2), herein.

The owner shall provide information requested by the Agency on rents charged by the owner for other units in the premises or elsewhere.

(h) Vacant Units. The Agency may provide vacancy payments under the PBA HAP Contract for up to sixty (60) days after a unit becomes vacant, in an amount not to exceed the rent to owner on the day the Family vacated. The Agency may only make such payments for a vacant unit if:

- (1) The vacancy was not the owner's fault, and
- (2) The owner has taken every reasonable action to minimize the likelihood and extent of vacancies.

(i) Reduction of Contract Units after Vacancy. If no eligible Family rents a vacant unit within one hundred twenty (120) days (commencing on the first day of the month when the vacancy occurred), the Agency may terminate its commitment to make any additional HAP for the unit for the balance of the HAP Contract term. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-12 TENANT SELECTION.

(a) If the unit selected for PBA is occupied by an eligible Family, the Family shall be afforded the opportunity to lease that unit or another appropriately sized, as defined in §1-12 of the Agency's Section 8 Rules and Regulations, PBA unit in the project without requiring the Family to be placed on the waiting list

(b) The owner shall lease all vacant assisted units to eligible Families from it's the HUD approved waiting list.

(c) After initial occupancy, the owner shall immediately notify the Agency of any vacancies. If there is an inadequate number of interested Applicants, within thirty (30) days of the notification of the vacancy, the owner may advertise and solicit applications from otherwise eligible Very Low Income Families and refer these families to the Agency to determine HCVP eligibility.

(d) The owner shall be responsible for the screening and selection of tenants in accordance with their written selection procedures approved as part of the original proposal for the PBV Program (see 24 CFR 983.51(d)(vi)). The owner shall promptly provide written notification to

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the Agency and any rejected Family of the grounds for the rejection.

(e) If the owner rejects an Applicant who believes that the rejection was the result of unlawful discrimination, the Agency may assist the Family, if requested, in resolving the issue or refer the Family to the local Fair Housing office or the HUD field office for assistance in filing a discrimination complaint or to exercise other rights provided by law. An Applicant who is rejected by an owner of a PBA unit and is on the tenant based waiting list, shall retain its place on that list. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-13 WAITING LIST.

(a) The Agency may establish HUD approved waiting list(s) for the PBV Program or may use the Agency's tenant based HCVP waiting list. Applicants on the tenant based waiting list shall have an opportunity to place their names on the PBV Program waiting list. Once an Applicant is placed in a PBA unit, their names shall be removed from the HCVP waiting list. An Applicant who rejects an offer of PBA or is rejected by an owner of a PBA unit and is on the HCVP waiting list, shall retain its place on that list.

(b) An owner may refer families living in the PBA building but not living in a unit selected for PBA or families that apply directly to the project to be placed on the PBV Program waiting list in accordance with the Agency's waiting list policy as described in §1-9 of the Section 8 Rules and Regulations.

(c) PBA will be offered to Applicants on the top of the waiting list as they become available according to the selection policy described in §1-10 of the Section 8 Rules and Regulations, unless otherwise specified herein. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-14 FAMILY BRIEFING.

(a) When a Family is selected to occupy a PBA unit, the Agency shall provide to the Family a copy of the lead based paint informational pamphlet and information concerning the Total Tenant Payment, Family Rent to Owner, and any applicable Utility Allowance. Additional information that shall be provided include:

(1) Family obligations under the PBV Program.

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- (2) Family and owner responsibilities under the Lease and HAP Contract;
- (3) Significant aspects of Federal, State and local equal opportunity laws;
- (4) The fact that the subsidy is tied to the unit and that the Family must occupy a unit under the PBV Program;
- (5) The likelihood of the Family receiving continued assistance after the HAP Contract expires or if the Agency terminates the HAP Contract for the unit;
- (6) The Family's options under the PBV Program if the Family is required to move because of a change in Family size or composition; and
- (7) The Agency's procedure for conducting informal hearings for participants, including the circumstances in which the Agency shall provide the opportunity for an informal hearing and the procedures for requesting a hearing.

(b) The Family shall be required to participate in the briefing prior to receipt of PBA. Failure to participate shall be grounds for disqualification of the Family from the PBV Program.

(c) The Family must meet all of its obligations of the PBV Program and the lease and comply with all of the rules and regulations of the Section 8 Housing Choice Voucher Program as indicated in Chapter 1 of the Agency's Section 8 Rules and Regulations. [Eff

_____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-15 FAMILY SHARE AND HOUSING ASSISTANCE PAYMENT.

(a) The Family Share is calculated by subtracting the amount of HAP from the Gross Rent.

(b) The HAP shall be equal to the difference between the Total Tenant Payment and the Gross Rent.

(c) The HAP is distributed as follows:

- (1) The Agency pays the owner the lesser of the HAP or the Rent to Owner.
- (2) If the HAP exceeds the Rent to Owner, the Agency shall pay the balance of the HAP to the Family for utility payments. [Eff

_____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-16 MAINTENANCE, OPERATION AND INSPECTION.

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(a) The owner shall provide all the services, maintenance and utilities as agreed under the HAP Contract, subject to abatement of HAP or other applicable remedies if the owner fails to meet these obligations.

(b) Before and during the term of assistance, units shall be inspected and must meet or exceed HQS. The Agency shall inspect a representative sample of the PBA units in a project at least annually. [Eff _____]
(Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-17 ASSISTED TENANCY AND TERMINATION OF TENANCY.

(a) Term of Lease. The term of a lease must be for at least one (1) year, or the remaining term of the HAP Contract if the remaining term is less than one (1) year.

(b) Termination of Tenancy.

(1) The owner shall provide the Agency with a copy of any termination of tenancy notification.

(2) The HAP Contract and the lease shall contain a provision permitting the Family to terminate the lease on proper notice as stated on the lease after the first year of the term.

(3) The owner may offer the Family a new lease after the first year of the term of the lease in writing at least sixty (60) days before the proposed commencement date of the new lease term and must specify a reasonable time for acceptance by the Family.

(c) Move from Unit.

(1) The Family shall notify the Agency and the owner before moving out of the unit as required by program rules and the Landlord and Tenant Code.

(2) The Family occupying a unit with PBA may move from the PBA unit after the first year and retain federal housing assistance. If no such assistance, or comparable assistance is not available at the time the Family moves, the Agency shall give the Family priority to receive the next available tenant based Section 8 voucher.

(d) Overcrowded and Underoccupied Units. If the Agency determines that the assisted unit is overcrowded due to an increase in Family size or underoccupied under the Agency's subsidy standard, the owner must offer the Family a suitable alternative unit if one is available and the Family shall be required to move. If the owner does not have a suitable unit, the Agency (if it has sufficient

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funding) shall offer Section 8 assistance to the Family or otherwise assist the Family in locating other standard housing within its jurisdiction and shall require the Family to move as soon as possible. HAP will continue to be issued while the Family remains in the unit unless the Family rejects, without good reason, the offer of a unit that the Agency judges to be acceptable. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-18 OPERATION AND ADMINISTRATION OF PROGRAM. The Agency shall administer the PBV Program in accordance with all provisions under the HCVP as described in Chapter 1 of the Agency's Section 8 Rules and Regulations, including the issuing of monthly HAP, determining eligibility of applicants; annual, interim and special reexamination of household income and family composition; maintaining the utility allowance schedule; and inspection of assisted units to ensure compliance with HQS. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)

§4-19 OTHER POLICIES. All other policies in Chapter 1 of the Agency's Section 8 Rules and Regulations related to eligibility and occupancy of the Section 8 tenant based program and the specific provisions relating to §1-22 through §1-28 shall apply unless expressly provided for in this rule. [Eff _____] (Auth: HRS §91-5)(Auth: 1-9.1ROH)